

**LOCAL AGENCY
FORMATION COMMISSION
of
MODOC COUNTY**

(LAFCO)

Draft #1

Policies, Standards and Procedures

**LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS**

Table of Contents

1. PURPOSE, JURISDICTION, AUTHORITY, AND COMPOSITION	1
1.1. Purpose of these Policies and Standards	1
1.2. The Legislature's Creation of LAFCO	2
1.3. The Legislature's Policy Direction to LAFCO	3
2. LAFCO GENERAL POLICIES AND STANDARDS	6
2.1. Communication Between Local Agencies	6
2.2. Urban Development	6
2.3. Discouraging Urban Sprawl	6
2.4. Environmental Consequences (CEQA)	6
2.5. Balancing Jobs and Housing	6
2.6. Compact Urban Form and Infill Development Encouraged	7
2.7. Public Accessibility and Accountability	7
2.8. Adequate Services	7
2.9. Efficient Services	7
2.10. Community Impacts	7
2.11. Conformance With General and Specific Plans	8
2.12. Boundaries	9
2.13. Revenue Neutrality	10
2.14. Agricultural and Open Space Land Conservation	10
2.15. Need for Services	12
2.16. Exceptions	12
2.17. Tribal Lands	13
3. SPHERES OF INFLUENCE	13
3.1. General Policies	13
3.2. Contents of the Sphere of Influence Plan	16
3.3. Master Service Element	17
3.4. Amendment of Spheres and Master Service Elements	19
4. ANNEXATIONS AND DETACHMENTS	20
4.1. General Standards for Annexation and Detachment	20
4.2. Determination of the Most Efficient Service Provider	22
4.3. City Annexations	23
4.4. Detachments from Cities and Districts	24
4.5. Extension of Services by Contract (56133)	25
5. INCORPORATIONS, FORMATIONS, provision of new services by districts, CONSOLIDATIONS, DISSOLUTIONS, AND DISINCORPORATIONS	26
5.1. Incorporation Of Cities	26
5.2. District Formation	29
5.3. Provision of New Services by District	30
5.4. Consolidations and Merger of Districts into the City	28
5.5. LAFCO Initiated Consolidations (56375 (A))	30

**LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS**

5.6. Disincorporations and Districts Dissolutions	31
5.7. Reorganizations	31
 6. GENERAL PROCEDURES	 31
6.1. Fees Authorized	31
6.2. Notice and Public Participation	32
6.3. Applications by Resolution Preferred	34
6.4. Application Requirement	34
6.5. Reconsideration of LAFCO Decisions.....	34
6.6. Conducting Authority Proceedings (57000).....	35
 7. ADOPTION AND AMENDMENT.....	 34
7.1. Amendments	34
7.2. Filing of Policies and Procedures	34

Appendix 1

Definitions included in G.C. Section 56010 through 56081 of the Cortese-Knox-Hertzberg Act. *(note: definitions contained in Appendix 1 may change as a result of legislation. It is advisable to review the Cortese-Knox-Hertzberg Act for updates when using the definitions included in this appendix).*

**Local Agency Formation Commission (LAFCO)
of Modoc County
Policies and Standards**

1. PURPOSE, JURISDICTION, AUTHORITY, AND COMPOSITION

1.1. Purpose of these Policies and Standards

LAFCO is charged with applying the policies and provisions of the Cortese-Knox-Hertzberg Act to its decisions regarding annexations, incorporations, reorganizations, and other changes of government. LAFCO is required to adopt written policies and standards and to exercise its powers in a manner consistent with those policies and standards and with the policy directives of the Act. Specifically, the policies and standards set forth in this chapter are designed to:

- a) Provide Information. Give applicants for changes of organization guidance as to the information LAFCO needs to make appropriate determinations concerning their applications and provide information and notice to elected officials, governmental staff, and members of the general public as to the policies and standards that LAFCO will use in evaluating applications.
- b) Set Criteria. Provide applicants for changes of organization with explicit guidance as to the criteria LAFCO will use in approving, disapproving, amending, or conditionally approving applications for changes of organization.
- c) Ensure Consistency in LAFCO's decision-making process.
- d) Facilitate Communication among local agencies in the region.
- e) Minimize Adverse Impacts of the social, economic and environmental results of growth.
- f) Provide for Planned, Well-Ordered Efficient Urban Development Patterns with appropriate consideration of preserving open space lands within those patterns.

**LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS**

1.2. The Legislature's Creation of LAFCO

- a) LAFCO is an intra-local agency that was created by state legislation to ensure that changes in governmental organization occur in a manner which provides efficient and quality services and preserves open space land resources.
- b) The creation of LAFCO was a legislative response to actions by local jurisdictions in the 1940's and 1950's. These agencies incorporated or annexed large, irregular portions of land in a manner which resulted in irrational urban boundaries and isolated populations without efficient services or with no services at all. In 1963, the Legislature established a Local Agency Formation Commission in each county and delegated to them its regulatory authority over local agency boundary changes.
- c) Additional legislation in the 1960's extended LAFCO authority. In the 1970's the Legislature recognized the connection between decisions concerning governmental organization and the issues of urban sprawl and loss of prime agricultural land. In response to these concerns, LAFCOs were charged with implementing changes in governmental organization in a manner which would preserve agricultural and open space land resources and provide for efficient delivery of services. Concerned that LAFCOs were responding reactively without considering long-term regional issues, in 1972 the Legislature began requiring LAFCO to adopt a sphere of influence for each agency in its jurisdiction. The sphere is the physical boundary and service area each local government agency is expected to serve and each proposal the Commission considers must be consistent with the sphere plan. The Legislature and the courts require LAFCOs to implement the California Environmental Quality Act (CEQA) as it applies to LAFCO actions.
- d) In 1985, the Cortese-Knox Local Government Reorganization Act consolidated all statutes relative to local government changes of organization. Later, in 1997, the Legislature assembled a Commission on Local Governance in the 21st Century to examine governance issues with special attention to the Local Government Reorganization Act. "Growth Within Bounds," is the Commission's report, and is based on four major findings: (1) The future will be marked by continued phenomenal growth, (2) California lacks a plan to accommodate growth, (3) local government is plagued by fiscal insecurity, and (4) the public is not engaged. The Commission made eight recommendations:
 - i) *LAFCO policies and procedures should be streamlined and clarified.*
 - ii) *LAFCOs must be neutral, independent, and balanced in representation of counties, cities, and special districts.*
 - iii) *LAFCO's powers must be strengthened to prevent sprawl and ensure the orderly extension of government services.*

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- iv) *The Legislature must strengthen LAFCOs' policies to protect agricultural and open-space lands.*
- v) *The Legislature must comprehensively revise the state-local fiscal relationship.*
- vi) *The Legislature must develop incentives to encourage coordination of local plans within each region.*
- vii) *The Legislature must enhance communication, coordination, and procedures of LAFCOs and local governments.*
- viii) *The Legislature must increase opportunities for public involvement, active participation, and information regarding government decision-making.*

These recommendations were incorporated into the Cortese Knox Hertzberg Act, which was adopted by the Legislature in 2000, and became effective in 2001.

1.3. The Legislature's Policy Direction to LAFCO

The Legislature has charged LAFCO with carrying out changes in local governmental organization to promote specified legislative policies now codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Cortese-Knox-Hertzberg Act commences with Section 56000 of the Government Code, and the reader is referred especially to Section 56001, 56300, 56301, 56375, 56377, and 56668. These sections contain the following major policy elements:

- a) Orderly Growth. LAFCO is charged with encouraging orderly growth and development and the discouragement of urban sprawl.
- b) Logical Boundaries. LAFCO is responsible for encouraging the logical formation and determination of boundaries.
- c) Efficient Services. LAFCO must exercise its authority to ensure that affected populations receive adequate, efficient and effective governmental services.
- d) Preserve Agricultural and Open Spaces. LAFCO is required to exercise its authority to guide development away from open space and prime agricultural land uses unless such actions would not promote planned, orderly, and efficient development.
- e) Specific Authority. LAFCO has the specific authority to review and approve or disapprove:
 - i) Annexations to, or detachments from, cities or districts.
 - ii) Formation or dissolution of districts.
 - iii) Incorporation or disincorporation of cities.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- iv) Consolidation or reorganization of cities or districts.
 - v) The establishment of a subsidiary district(s).
 - vi) The development of, and amendments to, Spheres of Influence.
 - vii) Extensions of service beyond an agency's jurisdictional boundaries.
 - viii) Provision of new or different services by districts.
 - ix) Pursuant to Section 56434, the Commission may review and approve proposals that extend service into previously unserved territory in unincorporated areas.
- f) Limited Authority to Initiate Proposals. Under specific circumstances, LAFCO may initiate proposals resulting in consolidation of districts, dissolution, merger, or establishment of subsidiary districts, or reorganizations that include any of those changes of organization.
- g) Limitation of Authority Relating to Land Use Conditions.

In order to carry out the legislative policies identified above, LAFCO has the power to approve or disapprove applications, or to impose reasonable conditions on approval. However, while LAFCO is charged with consideration of the impacts of land use in its determination, it is specifically prohibited from directing specific land use or zoning actions. LAFCO can deny an application where the land use that would result violates the statutory policies of Cortese-Knox-Hertzberg.

The California Supreme Court has explained this unusual combination of power to deny coupled with no power to impose conditions to solve the same policy issue. It said the prohibition on imposing conditions regarding land use:

"merely insures that final zoning decisions are made by the local agencies concerned. It certainly does nothing to detract from the power of a LAFCO to disapprove an annexation if it finds that it violates the detailed criteria which a LAFCO must consider." Bozung v. LAFCO (1975) 13 Cal. 3d 263, 284.

Thus, for example, LAFCO may disapprove an application for an annexation to a city if it would create an area of urban development that is difficult to serve, or because it would cause the premature development of agricultural land. However, LAFCO could not carry out the same policies by requiring land to be rezoned from residential to agricultural use, or by other direct exercise of land use authority through the zoning or subdivision process.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

h). Information Sharing

1. The Executive Officer of Modoc LAFCo will inform neighboring LAFCo Executive Officers whenever Modoc LAFCo receives a proposal for or initiates action on an MSR, SOI, organizational change, or service change involving a multi-county district for which Modoc is the Principal County but has territory in the neighboring LAFCo's county.

2. Upon request by a neighboring LAFCo Executive Officer, Modoc LAFCo's Executive Officer will make available information regarding such action (including data collected in the course of carrying out the action) to the extent that doing so does not interfere with normal operations of Modoc LAFCo.

i. Joint Planning/Conduct of Activities

1. Modoc LAFCo Executive Officer will offer the neighboring LAFCo Executive Officer an opportunity to meet and engage in joint planning of projects such as MSRs and Sphere Plan updates involving multicounty districts. When the two (or more) Executive Officers concur that it would be mutually beneficial to engage in joint planning and/or joint conduct of activities (such as meetings with staff of other agencies), information-gathering activities (such as design and circulation of surveys), or public presentations (such as workshops), the Modoc LAFCo Executive Officer may participate in such activity to the extent he or she considers appropriate. The Modoc LAFCo Executive Officer shall inform the Modoc LAFCo Chairperson in a timely manner of any decision to engage in joint planning or joint conduct of activities with the neighboring LAFCo Executive Officer; the Chairperson and Executive Officer shall inform the Commission of such decisions in a timely manner.

2. Whenever the Executive Officers consider it appropriate, they may request their respective Commissions to schedule a joint meeting for discussion of matters of mutual interest and/or coordination of activities. Such meetings are understood to have the purpose of mutually respectful communication of information and concerns and not to affect the formal discharge of either Commission's responsibilities under law.

j. Transfers of Jurisdiction

1. The Commission has authority pursuant to the provisions of Section 56388 of the Government Code to transfer jurisdiction for certain district proposals to the LAFCo of the county in which the subject territory is wholly or partially located. Modoc LAFCo recognizes that such transfer of jurisdiction may benefit the public by expediting service or enhancing development of information regarding the subject territory. The

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY POLICIES AND STANDARDS

Commission hereby delegates to its Executive Officer its authority to transfer jurisdiction for proposals involving a multi-county district and property located wholly outside Modoc County if those proposals are of minor significance and the transfer would be of benefit to the public.

(a) Proposals for formation or dissolution of agencies, modification of sphere plans, or activation of latent powers may not be transferred without Commission approval.

(b) Considerations involved in the determination whether a proposal is of minor significance include, but are not necessarily be limited to, the size of the area involved, the number of property owners, the assessed valuation, and the potential impact of the action on all affected service providers.

1. The Modoc LAFCo Executive Officer shall make any such transfer of jurisdiction in writing (or subsequently prepare a written record for a transfer first approved orally or electronically) and promptly inform the Chair. The Chair and Executive Officer shall report such transfers to the Commission in a timely manner.

2. LAFCO GENERAL POLICIES AND STANDARDS

The following are the general policies and substantive standards that will apply to LAFCO's consideration of any type of proposal. **In certain situations, the application of one policy may conflict with the application of another;** in that case, the LAFCO will exercise its discretion to balance policies in a manner consistent with the Cortese-Knox-Hertzberg Act and the standards contained in this document.

2.1. Communication Between Local Agencies

LAFCO considers that an important part of its role is to encourage communication and collaborative planning and studies between public agencies (such as the county, city and special district (s), members of the public, and service-providing members of the private sector).

2.2 Urban Development

LAFCO will encourage proposals that result in urban development in the City's or community's Sphere of Influence to include annexation wherever reasonably possible, and discourage proposals for urban development without annexation to the city. LAFCO will also encourage the city or a district serving a community center to annex lands that have been developed to urban levels, particularly areas that receive city or district services.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

Urban Development includes development that utilizes either public water or sewer, and which involves industrial or commercial use, or residential use with density of at least one unit per acre.

2.3 Discouraging Urban Sprawl

LAFCO has been directed by the State Legislature to discourage urban sprawl, and the Commission will normally deny proposals that can reasonably be expected to result in sprawl. Sprawl is characterized by irregular, dispersed, and/or disorganized urban or suburban growth patterns occurring at relatively low density and in a manner that precludes or hinders efficient delivery of municipal services, especially roads, public sewer and public water.

2.4 Environmental Consequences (CEQA)

LAFCo shall operate in accordance with the California Environmental Quality Act (CEQA), Public Resources Code Sections 21000. LAFCo shall assess the environmental consequences of its actions and decisions and take actions to avoid or minimize a project's adverse environmental impacts, if feasible, or may approve a project despite significant effects because it finds overriding considerations exist. To comply with CEQA, the Commission will operate in accordance with Modoc LAFCo CEQA Guidelines.

2.5 Balancing Jobs and Housing

LAFCO will encourage those applications which improve the regional balance between jobs and housing. LAFCO will consider the impact of a proposal on the regional supply of housing for all income levels. The agency that is the subject of the proposal must demonstrate to the Commission that any adverse impacts of the proposal on the regional affordable housing supply have been mitigated.

2.6 Compact Urban Form and Infill Development Encouraged

When reviewing proposals that result in urban development, LAFCO will consider whether the proposed development is timely, compact in form and contiguous to existing urbanized areas.

2.7 Public Accessibility and Accountability

LAFCO recognizes that the public's ability to participate in the local governance process is improved when the government structure is simple, accessible, and when decision-makers are accountable to those affected. The Commission will

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

consider this principle when it evaluates proposals for change of organization or reorganization.

2.8 Adequate Services

LAFCO will consider the ability of an agency to deliver adequate, reliable and sustainable services, and will not approve a proposal that has significant potential to diminish the level of service in the agency's current jurisdiction. The agency must provide satisfactory documentation of capacity to provide service within a reasonable amount of time.

2.9 Efficient Services

Community needs are normally met most efficiently and effectively by proposals that:

- a. Utilize Existing Public Agencies rather than create new ones.
- b. Consolidate the Activities and Services of public agencies in order to obtain economies from the provision of consolidated services.
- c. Restructure Agency Boundaries and service areas to provide more logical, effective, and efficient local government services.

2.10 Community Impacts

LAFCo will consider the impacts of a proposal and any alternative proposals on adjacent areas, on social and economic interests, and on the local government structure. The Commission may deny a proposal if adverse impacts are not mitigated to an acceptable level.

2.11 Conformance With General and Specific Plans

- a) Consistency with General and Specific Plans. LAFCO will approve changes of organization or reorganization only if the proposal is consistent with the General Plan and relevant Area Plans of the applicable planning jurisdiction.
- b) Planning Jurisdiction. The applicable planning jurisdiction is as follows:
 - i) For annexations to the City of Alturas, the applicable planning jurisdiction is the City of Alturas.
 - ii) For district formation or annexation within a city's sphere of influence, the city is the applicable planning jurisdiction unless a portion is

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

within the County. In that case the County shall be the applicable planning jurisdiction for the territory located within the County.

iii) For areas outside a city's sphere of influence, Modoc County is the applicable planning jurisdiction.

- c) Notification of Consistency. Prior to consideration of the proposal by LAFCO, the applicable planning jurisdiction (s) shall advise LAFCO in writing whether the proposal meets all applicable consistency requirements of state law, including internal consistency. If the applicable planning jurisdiction is also applying to LAFCO by Resolution of Application, such finding may be included in the Resolution. LAFCO shall retain discretion to independently determine consistency and may require additional information if necessary, particularly where the proposal involves an amendment to the general plan or area plans of the applicable planning jurisdiction.
- d) Consistency Found Adequate. For purposes of this standard, the proposal shall be deemed consistent if the proposed use is consistent with the applicable General Plan designation and text, the applicable general plan is legally adequate and internally consistent, and the anticipated types of services to be provided are appropriate to the land use designated for the area.
- e) Prezoning or Planning. All territory proposed for city annexation must be specifically planned and/or prezoned by the planning agency. Prezoning or zoning of the territory must be consistent with its general plan and sufficiently specific to determine the likely intended use of the property. No subsequent change to the zoning by a city is permitted by state law for a period of two years under most circumstances.

2.12 Boundaries

- a) Definite Boundaries Required. LAFCO will not accept as complete any application for a proposal unless it includes boundaries that are definite, certain, and fully described.
- b) Boundary Criteria. LAFCO will normally favor applications with boundaries that do the following:
 - i) Create logical boundaries within the affected agency's Sphere of Influence, and where possible, eliminate previously existing islands or other illogical boundaries.
 - ii) Follow natural or man-made features and include logical service areas, where appropriate.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- iii) Create boundaries that would square out or make boundaries more discernable
- c) Boundary Adjustments. LAFCO will normally amend applications with boundaries which:
 - i) Split neighborhoods or divide an existing identifiable community, commercial district, or other area having a social or economic identity.
 - ii) Result in islands, corridors, or peninsulas of incorporated or unincorporated territory or otherwise cause or further the distortion of existing boundaries.
 - iii) Are drawn for the primary purpose of encompassing revenue-producing territories.
 - iv) Create areas where it is difficult to provide services.
- d) Boundary Disapprovals. If LAFCO cannot suitably adjust the boundaries of a proposal to meet the criteria established in item 2.12 (b) above, it will normally deny the proposal.

2.13 Revenue Neutrality

LAFCO of Modoc County encourages proposals for changes of organization or reorganization where the proposal will result in an agreeable exchange of both revenues and service responsibilities among all affected agencies.

2.14 Agricultural and Open Space Land Conservation

Among LAFCO's core purposes is preservation of open space and prime agricultural lands. The Commission will exercise its powers to conserve prime agricultural ("ag") land as defined in Section 56064 of the Government Code, and open space land as defined in Section 65560 of the Government Code pursuant to the following standards. In order to more effectively carry out this mandate, the Commission may develop local standards to define and identify prime agricultural and open space lands.

- a) Conditions for Approval of Prime Ag/Open Space Land Conversion. LAFCO will apply a heightened level of review when considering proposals for changes of organization or reorganization which are likely to result in the conversion of prime ag/open space land use to other uses, and will approve such proposals only when the Commission finds that the proposal will lead to the planned, orderly, and efficient development. For purposes of this standard, LAFCO shall consider each of the five principles:
 - i) The land subject to the change of organization or reorganization is contiguous to either lands developed with an urban use or lands

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- which have received all discretionary approvals for urban development.
- ii) The proposed development of the subject lands is consistent with the Sphere of Influence Plan, including the master services element of the affected agency or agencies and the land subject to the change of organization is within the current 0 -10 year (near term) sphere of influence boundary.
 - iii) The land subject to the change of organization is likely to be developed within 5 years. In the case of very large developments, annexation should be phased wherever feasible. If the Commission finds phasing infeasible for specific reasons, it may approve annexation if all or a substantial portion of the subject land is likely to develop within a reasonable period of time.
 - iv) Insufficient vacant non-prime or open space land exists within the existing agency boundaries or applicable near term Sphere of Influence that is planned and developable for the same general type of use.
 - v) The proposal will have no significant adverse effect on the physical and economic integrity of other ag/open space lands.
- b) Finding with Respect to Alternative Sites. The Commission will not make the affirmative findings that insufficient vacant non-prime or open space land exists within the Sphere of Influence plan unless the applicable jurisdiction has:
- i) Identified within its Sphere of Influence all "prime agricultural land" ,"open space land" or land under public ownership.
 - ii) Enacted measures to preserve prime ag/open space land identified within its Sphere of Influence for agricultural or open space use.
 - iii) Adopted as part of its General Plan specific measures to facilitate and encourage in-fill development as an alternative to the development of prime ag/open space lands.
- c) Determining Impact on Adjacent Ag/Open Space Lands. In making the determination, whether conversion will adversely impact adjoining prime agricultural or open space lands, LAFCO will consider the following factors:
- i) The prime ag/open space significance of the subject and adjacent areas relative to other ag/open space lands in the region.
 - ii) The use of the subject land and the adjacent areas.
 - iii) Whether public facilities related to the proposal would be sized or situated so as to facilitate the conversion of adjacent or nearby prime ag/open space land, or will be extended through or adjacent to any other prime ag/open space lands which lie between the project site and existing facilities.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- iv) Whether natural or man-made barriers serve to buffer adjacent or nearby prime ag/open space land from the effects of the proposed development.
- v) Applicable provisions of the General Plan open space and land use elements, applicable growth-management policies, or other statutory provisions designed to protect agriculture or open space.
- d) Comments On Prime Ag/Open Space Projects. LAFCO will comment upon, whenever feasible, Notices of Preparation for Environmental Impact Reports or projects which involve the development of large tracts of open space or agricultural land.

2.15. Need for Services

A need for the services that will be made available must be established. LAFCO will normally determine that a need for service exists if any of the following situations is present:

- a) Public Health and Safety Threat. If the lack of the service creates a demonstrated threat to the public health and safety.
- b) Community Needs. If a proposal includes the extension or provision of community services, for existing development, such as fire protection, recreation, or road maintenance, and the residents of the area have indicated a desire for the service. A positive indication from the residents may be established by the city or a district being requested by residents to initiate annexation on their behalf.
- c) Five-year urbanization. If a proposal will result in the extension of services that may reasonably be expected to result in urbanization of the subject territory, the area growth patterns must indicate that the subject area is likely to be developed for urban use within five years, if permitted, and local planning regulations provide:
 - i) It is designated for urban uses in the appropriate land use authority's General Plan;
 - ii) If the proposal includes annexation to a city, the subject territory has been pre-zoned for urban uses; and
 - iii) Development at the site is consistent with the policies of the General Plan, and the policies of Cortese-Knox-Hertzberg Act.

2.16. Exceptions

LAFCO may make exceptions to any of these policies and standards if it determines that such exceptions can be justified under one or more of the following grounds:

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- a) Unique. The project has a unique physical constraint which is so unusual and inconsistent with other similar locations that granting an exception would not be a grant of a special privilege.
- b) Standards Conflict. Are required to resolve conflicts between standards of these policies.
- c) Quality/Cost. Result in significantly improved quality or substantially lower cost of service available.
- d) No Alternative. Are required because no feasible or logical alternative exists.

2.17 Tribal Lands

If a proposal involves an amendment or establishment of a Sphere of Influence which could ultimately lead to the provision of services to tribal lands, the proper tribal authority shall be informed of LAFCO's intention to seek a partial waiver of sovereign immunity prior to its approval of a change of organization.

Prior to issuance of a certificate of filing for an application involving a change of organization to provide public services on tribal lands, LAFCO shall require a partial waiver of sovereign immunity whereby the proper tribal authority and LAFCO agree in writing to mitigate the effects of the proposed change of organization on adjacent areas and on the local government structure of the county or city in accordance with the LAFCO Act, in exchange for the authority to provide the service.

LAFCO will incorporate the agreed upon provisions into its terms and conditions of approval.

3. SPHERES OF INFLUENCE

3.1. General Policies

LAFCO must adopt a sphere of influence for each city and each district in its jurisdiction, and all LAFCO actions must be consistent with a sphere plan. A Sphere of Influence is defined in Section 56425 of the Government Code as "a plan for the probable physical boundary and service area of a local agency or municipality as determined by the commission."

The determination of Sphere of Influence Plans is perhaps the most important planning function given to LAFCOs by the state legislature. Spheres of Influence are described by the Cortese-Knox-Hertzberg Act as an important tool for "planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

future needs of the county and its communities.” Spheres serve a similar function in LAFCO determinations as general plans do for cities and counties. Consistency with the adopted sphere plan is mandatory, and changes to the plan require careful review.

While LAFCO encourages the participation and cooperation of the subject agency, the sphere of influence plan is a LAFCO responsibility, and the Commission is the sole authority as to the sufficiency of the documentation and the plan’s consistency with law and LAFCO policy. Staff of LAFCO will work closely with agencies in developing sphere of influence plans. In determining the sphere of influence of each agency, LAFCO must consider and prepare a written statement of its determinations with respect to the following four factors as stated in Section 56425 (e) of the Cortese-Knox-Hertzberg Act:

- a) The present and planned land use in the area, including agricultural and open-space lands.
- b) The present and probable need for public facilities and services in the area.
- c) The present capacity of public facilities and adequacy of public services provided by the agency.
- d) Any social or economic communities of interest in the area that the Commission determines is relevant to the agency.

In order to prepare and update spheres of influence, LAFCO is required to conduct a review of the municipal services provided in the county, region, subregion, or other appropriate designated area. The policies and standards Modoc LAFCO applies to service reviews will be contained in a subsequent section of these policies and standards. Spheres of influence must be consistent with the determinations of the municipal service reviews, and will be modified if necessary.

- a) Consistency Requirement. Every sphere of influence plan must be consistent with LAFCO’s Policies and Standards and Procedures, the state legislature’s policy direction to LAFCO, the sphere plans of all other agencies in the area, the Commission’s statement of written determinations with respect to its review of municipal services in the applicable area, and with the long range planning goals for the area.
- b) Sphere Boundaries. In establishing the boundaries of a sphere of influence plan for an agency, LAFCO will consider the factors listed in Section 56425 (e) of the Government Code as noted above.

With respect to Factor 3.1(b) above, LAFCO will not include lands that are unlikely to require the services provided by the agency, for example, lands not designated for development by the applicable General Plan, areas where development is constrained by topographical factors, or areas where the projected and historical growth rates do not indicate a need for service within the timeframe of the sphere plan.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

With respect to Factor 3.1(c) above, LAFCO will not include areas in an agency's sphere of influence which cannot feasibly be served by the agency within a time frame consistent with the sphere plan.

- c) No Concurrent Amendment. LAFCO will generally not amend a Sphere of Influence concurrently with its action on a proposal.
- d) Time Factor. Sphere of Influence amendments will ordinarily take longer to process than applications for a change of organization or reorganization and will generally require more detailed information.
- e) Updated Plans Encouraged. Agencies are encouraged to keep the supporting documentation for their Sphere of Influence plans up to date so that individual applications for changes of organization or reorganization are not burdened with time delays.
- f) Areas of Concern. LAFCO may, at its discretion, designate a geographic area beyond the Sphere of Influence as an Area of Concern to any local agency.
 - i) An Area of Concern is a geographic area beyond the Sphere of Influence in which land use decisions or other governmental actions of one local agency (the "Acting Agency") impact directly or indirectly upon another local agency ("the Concerned Agency"). For example, approval of a housing project developed to urban densities on septic tanks outside the city limits of the City of Alturas and its sphere of influence may result in the city being forced subsequently to extend sewer services to the area to deal with septic failures and improve city roads that provide access to the development. The city in such situation would be the Concerned Agency with appropriate reason to request special consideration from the Acting Agency in considering projects adjacent to the city.
 - ii) LAFCO will notify any Concerned Agency when LAFCO receives notice of a proposal of another agency in the Area of Concern to the Concerned Agency, and will give great weight to its comments.
 - iii) If requested, LAFCO will seek to obtain a Joint Powers Agreement or other commitment between the agencies so that the Acting Agency provides advance notice to the Concerned Agency of any actions, or projects being considered within the area of concern, and commits to considering any comments made by the Concerned Agency.
- g) Internal Consistency Required. Sphere of Influence Plans shall be internally consistent.
- h) Agency Incapable of Providing Services. If the evidence demonstrates that an agency is unable to provide an adequate level of service within a portion of its service area boundaries within the time frame provided for that boundary, the Sphere of Influence Plan shall be amended pursuant to the procedures for periodic review such that the probable service boundaries

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

are consistent with the Master Services Element. If the Master Services Element projections demonstrate an adequate level of service beyond the service boundary within the time frame for that boundary, the Sphere of Influence Plan may be amended accordingly.

- i) Adoption and Revision. LAFCO will adopt, amend, or update Sphere of Influence Plans after a public hearing and pursuant to the procedures set forth in Section 56427 of the Cortese-Knox-Hertzberg Act. Sphere actions are subject to the provisions of the California Environmental Quality Act. Sphere of Influence Plans shall be updated every five years, or more frequently if deemed necessary by the Commission. Wherever possible, the City of Alturas sphere update shall be scheduled to coincide with its general plan update.

3.2. Contents of the Sphere of Influence Plan

- a) General Requirements. The Sphere of Influence Plans for all governmental agencies within LAFCO's jurisdiction shall contain the following:
 - i) A map defining the probable 20-year boundary of its service area, delineated to show the following two time periods: 0-10 year (short term), 11-20 year (long-term), (for example, 2005-2015, 2016-2026). These planning increments are termed "sphere horizons" and should depict the agency's logical boundaries at the 10-, and 20-year time periods.
 - ii) Maps and explanatory text delineating:
 - (1) the present land uses in the area, including, without limitation, a) improved and unimproved parcels; b) existing commercial, industrial, residential uses; and c) agricultural and open space lands.
 - (2) the proposed future land uses in the area.
 - iii) The present and probable need for public facilities and services in the sphere area. The discussion should include consideration of the need for all types of major facilities, not just those provided by the agency.
 - iv) The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
 - v) Identification of any relevant social or economic communities of interest in the area. For example, an area which is completely within one subdivision governed by a single homeowner's association should be noted, in order to assist in avoiding unnecessary division of the territory between service agencies.
 - vi) Existing population and projected population at build-out of each of the sphere horizons of the agency.
 - vii) A Master Service Element as defined in Section 3.3 below.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- b) Specific Requirements for City Sphere Plans
 - i) Contiguous Sphere Horizon Boundaries are required to promote orderly development.
 - ii) Inventory of Vacant Parcels. The maps and explanatory text described by Section 3.2 (a)ii above must include a written inventory of the parcels and acreages of all vacant parcels within the city's current boundaries.
 - iii) City/County Agreement. Pursuant to Section 56425 (b), if the city and the county reach agreement regarding the boundaries, development standards and zoning requirements within a proposed city sphere, the Commission shall give great weight to the agreement in the Commission's final determination of the city's sphere.
 - iv) Spheres for New Cities. The Commission will adopt a sphere of influence plan for a newly incorporated city within a year of the date of incorporation.
- c) Specific Requirements for District Sphere Plans
 - i) Contiguous Sphere Horizon Boundaries. Contiguous sphere horizon boundaries are adjacent to or adjoining territory between sequential SOI Horizons. If the District's enabling statute requires annexed territory to be contiguous, the boundaries of each sphere horizon must also be contiguous. If the district's enabling statute permits annexation of non-contiguous territory, the Commission will consider whether the services may be provided efficiently to areas not contiguous to the balance of the district's service area.
 - ii) Spheres for New Districts. LAFCO will adopt a sphere of influence plan for a newly formed district within 2 years of the completion of formation proceedings.

3.3. Master Service Element

In order to establish an appropriate sphere for an agency, LAFCO must have adequate information on the service capabilities of the agency. This specific information shall be provided in the form of a report called a "Master Service Element". Each sphere plan must include a current Master Service Element that demonstrates that the agency can provide adequate, reliable and efficient services to the areas included within the Agency's sphere.

- a) General Adequacy Standards. A master service element must meet the following general standards of adequacy:
 - i) Is consistent with the written determinations the Commission has made after completing a review of the municipal services of the

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- county, region, subregion, or other geographic area as may be appropriate.
- ii) Is consistent with the Master Service Element of the Spheres of Influence of any overlapping jurisdiction and is internally consistent.
 - iii) Demonstrates that adequate services will be provided within the time frame needed by the inhabitants of the area included within the proposal boundary.
 - iv) Identifies existing land use and a reasonable projection of land uses which would occur if services were provided consistent with the updated Element.
 - v) Presents the specific information required in 3.3 (b) below in an accurate, clear and concise fashion.
- b) Specific Element Requirements. A Master Services Element shall contain the following:
- i) Maps and explanatory text that clearly indicate the location and capacity of existing and proposed facilities, including a plan for timing and location of new or expanded facilities.
 - ii) A description of the nature of each service to be provided.
 - iii) A description of the present service level capacity of the service provider's facilities.
 - iv) An identification of the anticipated service level to be provided over the applicable sphere horizons.
 - v) A description of any actions, improvements, or construction necessary to reach the anticipated service levels.
 - vi) An estimate of projected revenue and expense over the sphere horizons, specifically identifying the cost of planned new facilities or services and the projected source of revenue to fund those new facilities or services.
 - vii) Actual and projected costs of services to consumers in current dollars. This shall include a statement of actual and projected allocation of the cost of services between existing and new residents.
- c) Uses of the Master Services Element. Upon approval of the Master Service Element by LAFCO, it shall be utilized both in establishing the agency's sphere of influence and in the consideration of all proposals affecting that agency.
- d) Current Master Service Element Required. Any agency making a proposal must have an updated Master Service Element for its Sphere of Influence Plan. LAFCO will approve a proposal only if the proposed service

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

provider is the most efficient provider of services as demonstrated in the provider's Master Service Element.

3.4. Amendments and Updates of Spheres and Master Service Elements

- a) Amendments and Updates Defined. Amendments generally involve discrete changes to a sphere of influence map or plan that are proposed by an agency or individual to accommodate a specific proposal. An amendment may or may not involve changes to the master service element of the agency.
Updates generally involve a comprehensive review of the entire sphere of influence plan, including the map and master service element.
- b) Amendments Required. An amendment to the sphere of influence plan or master service element will be required in the following circumstances:
 - i) When an agency seeks to add new territory to its sphere or remove territory from its sphere.
 - ii) When an agency seeks to move territory already within its sphere from one sphere horizon to another .
 - iii) When a district seeks to provide a new or different function or class of service.
 - iv) When an agency proposes a significant change in its plans for service which make the current Master Service Element inaccurate.
- c) Updates Required. LAFCO will review the adopted sphere of each agency not less than once every five years, and will update it as the Commission deems necessary (Government Code Section 56425 (f)). In order to conduct a sphere review, LAFCO will request the agency provide updated information relative to its sphere of influence plan and master service element. Such information is necessary to inform the Commission's determination of appropriate sphere horizon boundaries. In the absence of adequate information, the Commission will complete the sphere update by identifying the territories that currently receive the agency's services and excluding unserved territories from the sphere.
Prior to completion of a sphere of influence update, the Commission will conduct a review of the municipal services in the applicable area.
- d) General Requirements. LAFCO will generally treat an update or a proposed amendment to an agency's Sphere of Influence similarly to an application for approval of a Sphere of Influence. Each of the following sets of policies apply to amendments to and updates of Spheres of Influence:
 - i) General policies.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- ii) Specific policies and standards for Spheres of Influence and for Updates and Amendments thereto.
- e) Precedence of Amendments over Annexations. Sphere of Influence amendments shall precede the Commission's consideration of proposals for change of organization or reorganization.
- f) Treatment of Amendment under Sphere Horizons. LAFCO will not place territory in an agency's 0-10 year sphere horizon unless the agency can show an immediate need for service by clear and convincing evidence.
- g) Consistency Required. Amendment proposals must be consistent with an updated Sphere of Influence Master Services Element.
- h) Inconsistent Sphere Amendments Prohibited. LAFCO will not approve requests for Sphere of Influence amendments if the amendment will result in a sphere that is inconsistent with other policies or standards.
- i) Demonstrated Need Required. An applicant for amendment to a Sphere of Influence must demonstrate a projected need or (in the case of reduction of the sphere) lack of need for service.
- j) Open Space and Prime Agricultural Land. Amendment proposals involving Sphere expansions which contain open space or prime agricultural land will not be approved by LAFCO if there is sufficient alternative land available for annexation within the existing Sphere of Influence.
- k) Spheres of Influence Amendment and Update Procedures. (56425). Each request for amendment or update must be heard in a public hearing and is subject to the provisions of the California Environmental Quality Act.

4. ANNEXATIONS, DETACHMENTS, AND ACTION

4.1. General Standards for Annexation and Detachment

These standards govern LAFCO determination regarding annexations to and detachments from all agencies.

- a) Consistency With LAFCO Policies. The annexation or detachment must be consistent with the General Policies set forth in these Policies and Standards.
- b) Consistency with Spheres and Master Service Element.
 - i) The annexation must also be consistent with the applicable Master Service Elements. An annexation or detachment shall be approved only if the services element of the Sphere of Influence Plan of the affected agency(s) demonstrates that adequate services will be provided within the time frame needed by the inhabitants of the annexed or detached area.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- iii) LAFCO generally will not allow Spheres of Influence to be amended concurrently with annexation proposals.
- iv) Proposed annexations of lands that lie outside of the 0-10 year sphere horizons are presumed to be inconsistent with the Sphere Plan. In such case the agency or proponent must first request LAFCO consider a sphere amendment pursuant to Section 3.4 above. If the amendment is approved, the agency or proponent may then proceed with the annexation proposal.
- c) Plan for Services Required. Every proposal must include a Plan for Services that addresses the items identified in Section 56653 of the Government Code. This Plan for Service must be consistent with the Master Service Element of the agency.
- d) Contiguity. If required by statute, or if necessary to ensure efficient service provision, territory proposed to be annexed must normally be contiguous to the annexing city or district. Territory is not contiguous if its only connection is a strip of land more than 300 feet long and less than 200 feet wide. (§56031 G.C.)
- e) Piecemeal Annexation Prohibited. LAFCO requires annexations and detachments to be consistent with the schedule for annexation of sphere territory that is contained in an agency's Sphere of Influence. LAFCO will modify small, piece-meal annexations to include additional territory in order to promote orderly annexation and logical boundaries.
- f) Annexations to Eliminate Islands. Proposals to annex islands and to otherwise correct illogical distortion of boundaries will normally be approved unless they would violate another provision of these standards.
- g) Annexations that Create Islands. An annexation will not normally be approved if it will result in the creation of islands of incorporated or unincorporated territory or otherwise cause or further the distortion of existing boundaries. The Commission may nevertheless approve the annexation where it finds that annexation as proposed is necessary for orderly growth and that reasonable effort has been made to include the island in the annexation but that inclusion is not feasible at this time.
- h) Service Requirements. An annexation shall not be approved merely to facilitate the delivery of one or a few services to the detriment of the delivery of a larger number of services or services more basic to public health and welfare.
- i) Adverse Impact of Annexation On Other Agencies or Service Recipients. LAFCO will normally deny annexation proposals that would result in significant adverse effects upon other service recipients or other agencies serving the affected area unless the approval is conditioned to avoid such impacts.
- j) Action Options. LAFCO shall take one of the following three actions on an application for annexation or detachment:
 - i) Approve the proposal if it has found the change to result in the most efficient delivery of services for the affected population and to comply with other applicable standards and policies.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- ii) Modify or conditionally approve the proposal to ensure efficient service delivery and meet other policy objectives. These may include, but are not limited to:
 - (1) Waiver of detachment from an existing service provider or, in the alternative, appropriate detachment fees.
 - (2) Entering into a Joint Powers Agreement with another service provider.
 - (3) Requiring the inclusion of additional territory or exclusion of territory in order to achieve more logical boundaries.
 - (4) Such other conditions as authorized by Section 56886 of Cortese-Knox-Hertzberg.
- iii) Deny the annexation. In the event of such a denial, LAFCO may, where appropriate, provide direction as to changes in the proposal that could cause the Commission to consider approving a revised application.

4.2. Determination of the Most Efficient Service Provider

LAFCO will normally approve an annexation or detachment only if the Commission determines that the annexing agency possesses the capability to provide the most efficient delivery of applicable services for the affected population.

- a) Optimum Combination of Service and Cost. For purposes of this standard, the most efficient services are those which are provided at the optimum combination of service cost and service level. In the case of providers with similar service costs, the provider with higher service levels shall be deemed more efficient. In the case of providers of similar service levels, the provider at the lowest cost shall be deemed more efficient. In comparing the providers of adequate but low-cost services, with high-quality, high-cost services, the Commission shall retain discretion to determine the optimum efficiency based on compliance with the other provisions of the standards and the preferences of the affected population.
- b) “Affected Population” Defined. For purposes of this standard, “affected population” means any of the following:
 - i) The population which inhabits or will inhabit the area to be annexed.
 - ii) The population already being served by the annexing agency.
 - iii) The population of existing or potential alternative service providers.
- c) Factors to Be Considered. In evaluating the capability of an annexing agency or of alternative agencies to provide the required service, LAFCO shall utilize its written determinations pursuant to applicable municipal service reviews, the service elements of the proposed annexing entity,

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

current service providers, and potential alternative service providers. In addition, LAFCO shall take into account all of the following factors:

- i) Physical accessibility of the territory to the agency's service provision resources -- for example, is the agency the provider of sewer service whose plant can most easily gravity-feed from the subject territory?
 - ii) The agency's possession of or ability to acquire resources necessary to provide the needed service -- for example, an agency may be judged unable to acquire water rights necessary to provide the water services needed by a territory proposed for annexation.
 - iii) The agency's historic service provision effectiveness and efficiency -- for example, an agency may be judged an inefficient service provider if it has a previously documented history of service interruptions, accidents, safety hazards, excessive complaints, non-compliance with CEQA, illegal activities or excess costs/charges.
 - iv) The appropriateness of the agency's organizational structure to meet service needs. For example, LAFCO may question whether a dependent district of the city is an appropriate provider of services outside the city boundaries, where the population will have no ability to vote for the board of directors of that district.
 - v) The legislative policy established in Cortese-Knox-Hertzberg to favor consolidation of services in a single multi-service provider over allowing the proliferation of single-purpose service agencies.
 - vi) The effect on alternative service providers and those who use their services.
- d) LAFCO Responsibility for Determination. LAFCO shall determine the most efficient overall service provider or combination of providers, not the affected agencies.

4.3. City Annexations

- a) Annexations of Streets. Annexations shall reflect logical allocation of streets and rights of way. Specifically:
 - i) LAFCO may require inclusion of additional territory within an annexation in order to assure that the city reasonably assumes the burden of providing adequate roads to the property to be annexed. LAFCO will require the city to annex streets where adjacent lands that are in the city will generate additional traffic or where the annexation will isolate sections of county road, but will not require annexation of roads that will create isolated sections of city maintained road.
 - ii) LAFCO favors annexations with boundary lines located so that all streets and right-of-ways will be placed within the same

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

jurisdiction as the properties which either abut thereon or use the streets and right-of-way for access. Except in extraordinary circumstances, the city shall annex an entire roadway portion when 50% or more of the frontage on both sides of the street will be within the city after completion of the annexation.

- b) Urban Boundaries. LAFCO will normally adjust annexation boundaries to include adjacent urbanized areas in order to maximize the amount of developed urban land inside the city, and to minimize piece-meal annexation. As used herein, “urbanized areas” are areas that are developed for industrial, commercial or residential use with a density of at least one residential unit per acre and which receive either public water or sewer service.
- c) Pre-zoning Required. The Cortese-Knox-Hertzberg Act requires the City to prezone territory to be annexed, and prohibits subsequent changes to the general plan and or pre-zoning designations for a period of two years after completion of the annexation, unless the city council makes a finding at a public hearing consistent with the provisions of GC 56375 (e). The City’s pre zoning must take into account the likely intended development of the specific property.

In instances where LAFCO amends a proposal to include additional territory, the Commission’s approval of the annexation will be conditional upon completion of pre-zoning of the new territory.

4.4. Detachments from Cities and Districts

- a) General Requirements. LAFCO normally disfavors the detachment of territory from a service provider who provides an adequate level of service unless the following can be demonstrated:
 - i) The detachment is necessary to ensure delivery of services essential to the public health and safety; or
 - ii) The successor provider will be the most efficient services provider to the area as determined pursuant to Section 4.2 above and the detachment will not significantly reduce the efficiency of service delivery to the remaining inhabitants of the current service provider’s territory.
- b) Service Plan Considerations. The service plans of special districts which lie within a city's Sphere of Influence should provide for orderly detachment of territory from the district or merger of the district as district territory is annexed to the city. However, LAFCO may determine during the updating of the spheres of the two agencies, that the district should continue to provide service within certain areas even after annexation to the city.
- c) Bonded Indebtedness. Detachment from the city or special district shall not relieve the landowners within the detaching territory from existing obligations for bonded indebtedness or other indebtedness incurred

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

previously by the city or district to provide service to the detaching property unless the following apply:

- i) The relief from indebtedness is part of a revenue exchange agreement applying to the detachment.
- ii) The agency is legally authorized to and agrees to assume the cost and spread it over the remaining property within the agency.

4.5. Extension of Services by Contract (56133)

This section applies only to contracts to extend services beyond a local agency's jurisdictional boundaries as provided in Section 56133 of the Government Code.

a) General Standards.

i) Applicable Policies:

When considering requests to extend services by contract beyond an agency's jurisdiction boundaries, LAFCO will apply the same general substantive policies as for annexation requests. In addition, the application must be made in anticipation of annexation. As used in this section, the term "in anticipation of annexation" means that the area is within the five year sphere horizon of the agency.

ii) Subsequent Annexation Application Required

For all contract service extensions, the requesting agency must either:

- (1) File a concurrent application with LAFCO for annexation of the property, or
- (2) Carry out both of the following:
 - (a) Place a condition in its contract with the property owner requiring submittal of an annexation application within a period not to exceed two years; and
 - (b) Record a notice against title to the property specifying that in the event that the agency does not proceed with annexation, the property owner must make application to LAFCO for annexation of the territory within two years of LAFCO's approval of the request.

b) Review of Contracts. The LAFCO Executive Officer will conduct periodic reviews of contracts established since January 1, 1994, for compliance with the requirements of this section.

c) Unapproved Contracts Null & Void. If an agency enters into a contract without LAFCO approval, the contract shall be null and void. If the Executive Officer receives notice of a violation of these provisions, he or

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

she shall place the item on the Commission's agenda for consideration of appropriate action.

- d) Administrative Approvals. In a case which conforms to the standards set forth in this section (4.5), and which also involves an imminent peril to public health and safety, applicants may submit an abbreviated application, along with the applicable deposit as specified in the LAFCO fee schedule, to be considered for temporary administrative approval by the Executive Officer. The Executive Officer shall present the matter to the Commission at the next available meeting for final consideration.

5. INCORPORATIONS, FORMATIONS, PROVISION OF NEW SERVICES BY DISTRICTS, CONSOLIDATIONS, DISSOLUTIONS, & DISINCORPORATIONS

5.1. Incorporation Of Cities

- a) Consistency with LAFCO Policies. A proposal for incorporation of a new city must be consistent with the General Policies set forth in these Policies and Standards, as well as the following specific policies for incorporations.
- b) Need for Incorporation. LAFCO will normally only favor a proposal for incorporation if the Commission finds that there is a significant unmet need for urban services or need for improved urban services within the territory for which incorporation is proposed. In determining whether such a need for urban services exists, the Commission will base its determination on:
 - i) Current levels of service in the area to be incorporated.
 - ii) Whether the area proposed for incorporation is already substantially urbanized or applicable general plans, specific plans, or area plans and/or realistic population and growth projections demonstrate the need for urbanization of the affected area within the next five years.
 - iii) The Sphere of Influence Plans for the jurisdictions currently providing services to the area.
 - iv) The preferences of the community proposing to incorporate.
- c) Efficiency Required. LAFCO shall approve a proposal for incorporation only if it finds that a new city will provide the most efficient and consolidated forms of urban services to the affected population.
- d) Public Benefit Considered. LAFCO will consider whether the proposed incorporation will benefit the affected population as a whole, or only a select group. Absent other considerations, LAFCO will not approve an incorporation proposal that amounts to a grant of governmental powers to a special interest group.
- e) Balancing Adverse Impacts. In making its decision on the incorporation, LAFCO shall weigh the benefits of the incorporation against its adverse impacts on:

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- i) Particular communities or groups in the incorporating area or affected unincorporated area.
- ii) Other service providers within the area of the proposed incorporation, including the County.
- iii) Prime agricultural and open space lands and the prevention of urban sprawl.
- f) Plan for Services Required. A proposal for incorporation must include a Plan for Services that addresses the items identified in Section 56653 of the Government Code.
- g) Prime Agricultural and Open Space Land that is not designated for urbanization within the next five years of the date of the receipt of the application shall not be included within the boundaries of a proposed city unless the Commission determines that the proposal is structured to ensure the long-term preservation of open space or agricultural lands.
- h) Comprehensive Fiscal Analysis Required. Section 56800 of the Cortese-Knox-Hertzberg Act requires the Executive Officer to prepare or cause to be prepared a comprehensive fiscal analysis (CFA) of the projected fiscal condition of the new city. Normally, LAFCO will contract with an independent consultant for this analysis, and the charge for this study will be included with the other project-related charges paid by the applicant. The CFA shall project income and expense for a period of seven years after incorporation. The Commission will approve the CFA after a public hearing.
- i) Revenue Neutrality and Fiscal Solvency Required. LAFCO will only approve a proposal for an incorporation if the proposed city will be able to fund municipal services, and remain financially solvent, after making adjustments to attain revenue neutrality. As used herein, the term “revenue neutrality” shall mean an exchange of revenue and service delivery costs between the new city and the various affected agencies, as more specifically required by Section 56815 of the Cortese-Knox-Hertzberg Act. The determination of whether the proposed incorporation meets this standard will be the objective of the Comprehensive Fiscal Analysis described above
- j) Financial Review Request. In accordance with the provisions outlined in Section 56801 of the Cortese-Knox-Hertzberg Act, any interested person or agency may request a review of the CFA by the Office of the State Controller within 30 days of the Commission’s approval of the document. The requesting party will be responsible for the State Controller’s charges to conduct the review, and is required to deposit the estimated cost before the review will be initiated. If the requesting party fails to deposit the estimated cost and execute a payment agreement for the balance within 7 days of being notified of the amount, the request will be deemed withdrawn.
- k) Competing Applications Relative to the Proposed Incorporation. Where LAFCO receives more than one application affecting an area proposed for incorporation, and such competing application(s) is received within 60

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

days of the initial application for incorporation, the Commission shall consider such competing application(s) prior to approval of the incorporation proposal. (56657)

5.2. District Formation

- a) Consistency with LAFCO Policies. The formation of a special district must be consistent with the General Policies set forth in these Policies and Standards, as well as specific policies for formations.
- b) Need for a New District Required. LAFCO will only approve special district formations in areas that demonstrate a need for the proposed services and where no existing agency can adequately or efficiently provide such services, in an accountable manner as required by Section 56886.5.
- c) Plan for Services Required. Every proposal for formation of a new special district must include a Plan for Services that addresses the items identified in Section 56653 of the Government Code.
- d) LAFCO Will Establish Service Pattern. LAFCO's approval of a district formation will designate the nature, location, and extent of any functions or classes of services for the new district. This designation will be based upon the Plan for Services.
- e) Consistency Required. LAFCO will only approve district formation applications that accommodate development that is consistent with the General and Specific Plans of all affected land use authorities.
- f) Conflicts Not Allowed. LAFCO will not approve a district formation proposal if the Plan for Services conflicts with the master service elements of other agencies unless higher quality, more efficient service provision will occur as determined under Section 4.2 above.
- g) Public Benefit Considered. LAFCO will consider whether the proposed district formation will benefit the affected public as a whole, or only a select group. Absent other considerations, LAFCO will not approve a formation proposal that amounts, to a grant of governmental powers to a special interest group.
- h) Fiscal Solvency. LAFCO will prepare a fiscal analysis for the proposed district which projects services to be provided, costs to service recipients, and revenue and expenses for a period of at least 5 years. LAFCO will not approve an application for district formation unless the fiscal analysis demonstrates the district can provide the needed services and remain fiscally solvent. If the financing element of the Plan for Services requires voter or landowner approval (for instance, a special tax or benefit assessment), LAFCO's approval of the proposal will require voter approval of the funding mechanism as a condition for completion of the formation.
- i) County Service Areas. LAFCO may reduce or waive these district formation requirements in connection with the formation of routine county service areas.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

5.3. Provision of New Services by Districts

- a) Policies Applicable to New Service Proposals. LAFCO will evaluate a proposal for a district to provide new services using the policies and standards applicable to the formation of a new district.
- b) Plan for Services Required. A proposal must include a Plan for Services that addresses the items identified in Section 56653 of the Government Code.
- c) New Services not Subsidized. LAFCO will not approve a proposal for the provision of a new service where it is reasonably likely that existing ratepayers and/or taxpayers will have to subsidize the new service.

5.4. Consolidations and Merger of Districts into the City

- a) Policies Applicable to Consolidations and Mergers. As stated in General Policies 2.9, LAFCO generally supports consolidation of agencies to obtain economies from the provision of consolidated services. For the purposes of LAFCO's policies and standards, a consolidation of cities or districts will be treated as an incorporation or a district formation. The merger of a district into the city will be treated as if it were an annexation of the district's territory combined with a detachment or dissolution.
- b) General Requirements. Based upon the submitted Plan for Services and any other data provided, LAFCO will determine whether the city's or districts' organizations and operations can feasibly be combined. LAFCO will give particular attention to the following:
 - i) Service plans and safeguards to ensure uniform and consistent service quality throughout the newly consolidated or merged jurisdiction.
 - ii) Staffing levels, personnel costs, and employment contracts.
 - iii) Potential for cost efficiencies and economies of scale.
 - iv) Potential for improved governance and accountability.
 - v) Plans for restructuring agency debt.
 - vi) Provisions for combining capital reserves and improvement plans.
 - vii) Provisions for establishing zones of benefit, if necessary.
- c) Special Consolidation Procedures. (56853). If two or more local agencies file an application to consolidate that meets the standards established in Section 56853, the Commission will either approve the proposal or require conditions that will ensure the proposal is consistent with LAFCO policy. The Commission will notify the agencies of change in the material proposed conditions in the application, in accordance with the provisions established in Section 56853.
- d) Procedure for Formation of Subsidiary Districts

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

Proposals for the merger of a district into the city or establishment of the district as a subsidiary district of the city shall follow the special procedure set forth in § 56861-56863.

5.5. LAFCO Initiated Consolidations (56375 (A))

- a) General. LAFCO may initiate proceedings for consolidation of districts; and the dissolution, merger, or establishment of subsidiary districts; or reorganizations that include any of these changes of organization in accordance with all relevant provisions of the Cortese-Knox-Hertzberg Act. Such changes of organization shall hereinafter be referred to as LAFCO-initiated proposals for the purposes of this section.
- b) Initiation of a proposal must be consistent with the recommendation of a study prepared pursuant to G.C. 56378 (studies of governmental agencies) or 56425 (Spheres of Influence) or 56430 (Municipal Service Reviews), which evaluates the factors listed in Section 5.4 above, and 5.4 (d) below. The Commission will publicly consider a request from any interested person or agency to conduct such a study, or may initiate such a study on its own.
- c) Procedure for Initiation of Proposals by the Commission.
 - i) The Commission may initiate a proposal for any combination of change of organization or reorganization consistent with the recommendation of a study conducted pursuant to this section.
 - ii) The Commission shall adopt a resolution of initiating the proposal at a public meeting. The resolution shall contain all the information normally included in a Resolution of Application. The Executive Officer shall provide each affected agency with notice of the meeting at least 21 days in advance.
 - iii) The Commission may decide to refer the matter to a reorganization committee constituted pursuant to Section 56826 of the Government Code.
 - iv) A proposal initiated by the Commission will be processed in accordance with all normal and specific procedural requirements of Cortese-Knox-Hertzberg and these Policies and Standards.
- d) Policy Considerations. The Commission's general and applicable specific policies and standards will be used to evaluate LAFCO-initiated proposals. Additionally, the Commission must make specific determinations pursuant to Section 56881 if it approves a LAFCO initiated proposal:
 - i) Public service costs of the proposal are likely to be less than or substantially similar to the costs of alternative means of providing the service.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- ii) The change of organization or reorganization promotes public access and accountability for community service needs and financial resources.

5.6. Disincorporations and Districts Dissolutions

- a) Grounds for Disincorporation and District Dissolutions. LAFCO will approve a proposal for disincorporation/dissolution only if it determines that:
 - i) the services offered or authorized are no longer necessary; or
 - ii) the services can be provided more efficiently by another agency or provider and that agency agrees to provide the services; or
 - iii) the agency is insolvent and unable to provide the services.
- b) Bonded Indebtedness. Where possible, LAFCO shall condition any dissolution to provide for the repayment of any bonded indebtedness or other obligations of the dissolved agency.
- c) Disposition of Remaining Funds. A disincorporated city must turn its treasury over to the County Treasurer within thirty (30) days of disincorporation. A dissolved district shall turn over its funds to its successor as determined under §57451.

5.7. Reorganizations

- a) Evaluation Process. LAFCO will independently evaluate each component organizational change which makes up a reorganization proposal following the standards of this chapter applicable to that component of the reorganization. LAFCO will then balance the overall benefits against the costs and adverse impacts, in deciding on the reorganization as a whole.
- b) Mitigation Requirements. The service quality, efficiency, and effectiveness available prior to reorganization shall constitute a benchmark for determining significant adverse effects upon an interested party. LAFCO will approve a proposal for reorganization which results in significant adverse effects only if effective mitigating measures are included in the proposal.

6. GENERAL PROCEDURES

6.1. Fees Authorized

A fee deposit shall be required and charged to a project applicant for the processing of any application in accordance with the standard approved LAFCO

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

fee schedule. A project application shall not be approved by the Commission nor processing completed after approval until direct project related expenses are paid. All direct project related expenses must be paid prior to the recordation of the certificate of completion.

6.2. Notice and Public Participation

- a) Public Participation Encouraged. LAFCO encourages participation in its decision-making process. The Cortese-Knox-Hertzberg Act provides for a wide dissemination of notice. LAFCO shall not necessarily be limited to the minimums required by law and policy. The Commission will provide opportunity to the public to be heard at LAFCO meetings in accordance with the procedures set forth in the By-Laws.
- b) Unnecessary Public Hearings Eliminated. Where LAFCO is authorized by Cortese-Knox-Hertzberg to consider a proposal without public hearing, the proposal will be considered by the Commission without a public hearing, unless the Commission determines that the matter is of sufficient public interest or controversy to warrant a public hearing.

6.3. Application by Resolution Preferred

While Cortese-Knox-Hertzberg permits initiation of applications to LAFCo either by resolution of an affected agency or by direct landowner/voter petition, LAFCo prefers that the resolution procedure be utilized wherever feasible. Use of the resolution of application procedure is preferred because (1) it involves the affected public agency early in the process to assure that the agency's concerns are considered and (2) it better integrates CEQA processing by the affected public agency as Lead Agency. Each applicant shall be advised of this policy at the earliest possible time. Applications initiated by petition (other than for sphere updates, district formations, and city incorporations) must also include evidence of efforts to obtain the sponsorship of the affected public agency.

6.4. Application Requirements

- a) LAFCO encourages a pre-application discussion between the proponent and LAFCO staff, which can save the prospective applicant substantial time once the process has begun. LAFCO staff will review procedures, information requirements, processing fees and provide application forms.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

- b) Applications to the Commission must contain all the information and materials required by the Cortese-Knox-Hertzberg Act (Section 56652 and 56653) as well as the applicable fees or deposit toward fees as specified by the LAFCO Fee Schedule. Except when the Commission is the Lead Agency pursuant to the California Environmental Quality Act (as defined in Section 21067 of the Public Resources Code), an application must also contain complete documentation of the Lead Agency's environmental determination. No application for a change of organization or reorganization will be deemed complete and scheduled for hearing unless the requirements of Section 99 regarding tax apportionment agreements of the Revenue and Taxation Code have been satisfied.

6.5. Reconsideration of LAFCO Decisions

- a) Request and Fees. The request for reconsideration shall be made consistent with the provisions of Section 56895 of the Cortese-Knox-Hertzberg Act, and shall be accompanied by the appropriate reconsideration fee deposit as established in the LAFCO Fee Schedule. The person or agency shall file the written request within 30 days of the adoption of the initial or superseding resolution by the Commission making determinations.
- b) Grounds for Reconsideration. LAFCO will normally only change its previous determination where one or more of the following circumstances are shown to exist:
 - i) Compelling new evidence exists about the proposal, that was previously unavailable, that might alter the Commission decision.
 - ii) Factors significant to the Commission decision were overlooked, or have changed, such as a change in an applicable federal, state, or local law that might alter the Commission's decision.
 - iii) A significant, prejudicial error in procedure is found.
 - iv) The Executive Officer shall review the reconsideration request to ensure compliance with i, ii, or iii above.

6.6. Conducting Authority Proceedings (57000)

For proposals for which the Commission acts as Conducting Authority, the following applies:

- a) Waiver of Conducting Authority Proceedings. The Commission may waive final Conducting Authority proceedings and authorize the Executive

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

Officer to file a Certificate of Completion upon approval of a change of organization or reorganization pursuant to 56663.

- b) Setting the Matter for Hearing. The Commission shall include in the terms and conditions of its approval for a proposal a stipulation of a period, not less than 21 nor more than 60 days, to be allowed for the collection and filing of written protests. Within 35 days of final LAFCO action, the Executive Officer shall set the matter for hearing according to the schedule stipulated by the Commission and cause a notice thereof to be published in compliance with Section 56150 *et seq.*
- c) Delegation of Authority to Conduct Protest Hearing. The Commission shall delegate to the Executive Officer the authority to conduct a protest hearing unless it specifies otherwise. Such delegation shall be stated in the terms and conditions for approval of the subject proposal.

7. ADOPTION AND AMENDMENT

7.1. Amendments

Amendments to Modoc LAFCO's Policies and Standards shall be made in compliance with the LAFCO Commission's Bylaws.

7.2. Filing of Policies and Standards

Upon approval of these Policies and Standards, and any amendments thereto, a certified copy shall be filed with the Clerk of the Board of Supervisors of Modoc County.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY

POLICIES AND STANDARDS

Appendix 1

Definitions contained in the Cortese-Knox-Hertzberg Act

(note: definitions contained in Appendix 1 may change as a result of legislation. It is advisable to review the Cortese-Knox-Hertzberg Act for updates when using the definitions included in this appendix).

DEFINITIONS from Chapter 2 of the Cortese-Knox-Hertzberg Act of 2000

56010. Unless the provision or context otherwise requires, the definitions contained in this chapter govern the construction of this division. The definition of a word applies to any of that word's variants.

56011. "Affected city" means any city which satisfies either of the following conditions:

(a) It contains, or its sphere of influence contains, territory for which a change of organization is proposed or ordered either singularly or as part of a reorganization. (b) It would contain the territory described in subdivision (a) as a result of proceedings for a change of organization or reorganization taken pursuant to this division.

56012. "Affected county" means each county which contains, or would contain, any territory for which a change of organization or reorganization is proposed or ordered or which contains all or any part of a district for which a change of organization or reorganization is proposed or ordered with respect to territory outside that county.

56013. "Affected district" means a special district, as defined by Section 56036, which contains, or whose sphere of influence contains, any territory for which a reorganization or a change of organization is proposed or ordered.

56014. "Affected local agency" means any agency which contains, or would contain, or whose sphere of influence contains, any territory within any proposal or study to be reviewed by the commission.

56015. "Affected territory" means any territory for which a change of organization or reorganization is proposed or ordered.

56016. "Agricultural lands" means land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program.

56017. "Annexation" means the annexation, inclusion, attachment, or addition of territory to a city or district.

56018. "Benefit district" means a district, containing lands which are, or will be, benefited by their inclusion within the district, the owners of those lands being entitled, under state or federal statutes or the California Constitution or the United States Constitution, to notice by mail or personal service and hearing prior to the inclusion of the lands within the district.

56019. "Board of directors" means the legislative body or governing board of a district.

56020. "Board of supervisors" means the board of supervisors of a county.

56020.5. "Certificate of completion" means the document prepared by the executive officer and recorded with the county recorder that confirms the final successful resolution of a change of organization or reorganization.

56020.7. "Certificate of termination of proceedings" means the document prepared by the executive officer and retained by the commission that indicates that a proposal for a change of organization or reorganization was terminated because of majority written protest or rejection by voters in an election.

**LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS**

56021. "Change of organization" means any of the following:

- (a) A city incorporation.
- (b) A district formation.
- (c) An annexation to, or detachment from, a city or district.
- (d) A disincorporation of a city.
- (e) A district dissolution.
- (f) A consolidation of cities or special districts.
- (g) A merger or establishment of a subsidiary district.

56022. REPEALED.

56023. "City" means any chartered or general law city, including any city the name of which includes the word "town."

56024. "City council" means the city council or legislative body of a city.

56025. "City officer" means the mayor or a member of the city council.

56026. "Clerk" means the clerk or secretary of a county, city, or district, or the clerk or secretary of the legislative body of a county, city, or district. Where the office of county clerk is separate from the office of the clerk of the board of supervisors, "clerk" means the clerk of the board of supervisors. Where the office of county clerk is separate from the office of the registrar of voters, "clerk" means the registrar of voters with respect to all duties pertaining to the conduct of elections and the county clerk with respect to all other duties.

56027. "Commission" means a local agency formation commission.

56028. "Commission proceedings" means proceedings which are taken by a commission pursuant to Part 3 (commencing with Section 56650).

56029. "Conducting authority" means the commission of the principal county of the entity proposing a change of organization or reorganization, unless another conducting authority is specified by law.

56030. "Consolidation" means the uniting or joining of two or more cities located in the same county into a single new successor city or two or more districts into a single new successor district. In the case of consolidation of special districts, all of those districts shall have been formed pursuant to the same principal act. (b) This section shall become operative on July 1, 2008.

56031. (a) "Contiguous" means both of the following:

- (1) In the case of annexation, territory adjacent to, or territory adjoining territory within, the local agency to which annexation is proposed.
- (2) In the case of consolidation, territory of a local agency or agencies which is adjacent to, or adjoining the territory of, the consolidating local agency or to the territory of another local agency which is contiguous to the consolidating local agency and to be consolidated with the consolidating local agency.

(b) Territory is not contiguous if the only contiguity is based upon a strip of land more than 300 feet long and less than 200 feet wide, that width to be exclusive of highways.

56032. "County officer" means a member of the board of supervisors.

56033. "Detachment" means the detachment, deannexation, exclusion, deletion, or removal from a city or district of any portion of the territory of that city or district.

56034. "Disincorporation" means the disincorporation, dissolution, extinguishment, and termination of the existence of a city and the cessation of its corporate powers, except for the purpose of winding up the affairs of the city.

56035. "Dissolution" means the dissolution, disincorporation, extinguishment, and termination of the existence of a district and the cessation of all its corporate powers, except for the purpose of winding up the affairs of the district.

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

56036. (a) "District" or "special district" means an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries. "District" or "special district" includes a county service area, but excludes all of the following:

- (1) The state.
- (2) A county.
- (3) A city.
- (4) A school district or a community college district.
- (5) A special assessment district.
- (6) An improvement district.
- (7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5.
- (8) A permanent road division formed pursuant to Article 3 (commencing with Section 1160) of Chapter 4 of Division 2 of the Streets and Highways Code.
- (9) An air pollution control district or an air quality maintenance district.
- (10) A zone of any of the following:
 - (A) A fire protection district
 - (B) A mosquito abatement and vector control district
 - (C) A public cemetery district
 - (D) A recreation and park district

(b) Except as otherwise provided in paragraph (1), each of the entities listed in paragraph (1) is a "district" or a "special district" for the purposes of this division.

(1) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57175), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a "district" or a "special district".

- (A) A unified or union high school library district.
- (B) A bridge and highway district.
- (C) A joint highway district.
- (D) A transit or rapid transit district.
- (E) A metropolitan water district.
- (F) A separation of grade district.

(2) Any proceedings pursuant to Part 4, commencing with Section 57000, for a change of organization involving an entity described in paragraph (1) shall be conducted pursuant to the principal act authorizing the establishment of that entity.

(c) Except as otherwise provided in paragraph (1), each of the entities listed in paragraph (1) is a "district" or "special district" for purposes of this division.

(1) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 commencing with Section 57175), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a "district" or "special district" if the commission of the principal county determines, in accordance with Sections 56127 and 56128, that the entity is not a "district" or "special district."

- (A) A flood control district.
- (B) A flood control and floodwater conservation district.
- (C) A flood control and water conservation district.
- (D) A conservation district.
- (E) A water conservation district.
- (F) A water replenishment district.
- (G) The Orange County Water District.

**LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS**

(H) A California water storage district.

(I) A water agency.

(J) A county water authority or a water authority.

(2) If the commission determines that an entity described in paragraph (1) is not a "district" or "special district," any proceedings pursuant to Part 4, commencing with Section 57000, for a change of organization involving the entity shall be conducted pursuant to the principal act authorizing the establishment of that entity.

56037. "District of limited powers" means an airport district, community services district, municipal utility district, public utilities district, fire protection district, harbor district, port district, recreational harbor district, small craft harbor district, resort improvement district, library district, local hospital district, local health district, municipal improvement district formed pursuant to any special act, municipal water district, police protection district, recreation and park district, garbage disposal district, garbage and refuse disposal district, sanitary district, county sanitation district, public cemetery district, California water district, county water district, county waterworks district, or irrigation district.

56037.5. "Elections official" shall have the same meaning as in Section 320 of the Elections Code.

56038. "Executive officer" means the executive officer appointed by a commission.

56038.5. "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, legal, social, and technological factors.

56039. "Formation" means the formation, incorporation, organization, or creation of a district.

56040. "Function" means any power granted by law to a local agency or a county to provide designated governmental or proprietary services or facilities for the use, benefit, or protection of persons or property.

56041. "Improvement district" means a district, area, or zone formed for the sole purpose of designating an area, which is to bear a special tax or assessment for an improvement benefiting that area.

56042. "Include," except when used in relation to the inclusion of land, does not necessarily exclude matters not enumerated.

56043. "Incorporation" means the incorporation, formation, creation, and establishment of a city with corporate powers. Any area proposed for incorporation as a new city shall have at least 500 registered voters residing within the affected area at the time commission proceedings are initiated.

56044. "Independent special district" includes any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms, and excludes any special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. "Independent special district" does not include any district excluded from the definition of district contained in Section 56036.

56045. "Independent special district officer" means the presiding officer or a member of the legislative body of an independent special district.

56046. "Inhabited territory" means territory within which there reside 12 or more registered voters. The date on which the number of registered voters is determined is the date of the adoption of a resolution of application by the legislative body pursuant to Section 56654, if the legislative body has complied with subdivision (b) of that section, or the date a petition or other resolution of application is accepted for filing and a certificate of filing is issued by the executive officer. All other territory shall be deemed "uninhabited."

**LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS**

56047. "Initiate" or "initiation" means the acceptance for filing and the issuance of a certificate of filing by the executive officer.

56047.5. "Interested agency" means each local agency which provides facilities or services in the affected territory that a subject agency would provide.

56048. (a) Except as otherwise provided in subdivision (b) or (c), "landowner" or "owner of land" means all of the following:

(1) Any person shown as the owner of land on the most recent assessment roll being prepared by the county at the time the conducting authority adopts a resolution of application except where that person is no longer the owner. Where that person is no longer the owner, the landowner or owner of land is any person entitled to be shown as owner of land on the next assessment roll.

(2) Where land is subject to a recorded written agreement of sale, any person shown in the agreement as purchaser.

(3) Any public agency owning land.

(b) "Landowner" or "owner of land" does not include a public agency which owns highways, rights-of-way, easements, waterways, or canals.

(c) For the purpose of mailed notice provided pursuant to Section 56157, "landowner" or "owner of land" means each person to whom land is assessed, as shown upon the last equalized assessment roll of the county, at the address shown upon that assessment roll.

56049. "Landowner-voter" means any person entitled to vote in a landowner-voter district, or the legal representative of that person or, in the case of an election, the proxy of that person.

56050. "Landowner-voter district" means a district whose principal act provides that owners of land within the district are entitled to vote upon the election of district officers, the incurring of bonded indebtedness, or any other district matter.

56051. "Last equalized assessment roll" means the last equalized assessment roll or book used by a county, city, or district for the purpose of the annual levy and collection of any taxes or assessments imposed by the county, city, or district.

This section does not require the use of the supplemental roll prepared pursuant to Chapter 3.5 (commencing with Section 75) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

56052. "Legal representative" means an officer of a corporation duly authorized, by the bylaws or a resolution of the board of directors of the corporation, to sign for, and on behalf of, the corporation. Legal representative also includes a guardian, conservator, executor, administrator, or other person holding property in a trust capacity under appointment of a court, when authorized by an order of the court. The order of the court may be made without notice.

56053. "Legislative body" means the legislative body or governing board of a city, special district, or county.

56054. "Local agency" means a city, county, or district.

56055. "Member district" means any district which is included, in whole or in part, within another district, a metropolitan water district, or any of the entities enumerated in subdivision (c) of Section 56036, all or any part of the first-mentioned district being entitled, under the provisions of the principal act of the second-mentioned district or entity, to receive or be furnished with any governmental or proprietary service or commodity by the second-mentioned district or entity.

56056. "Merger" means the extinguishment, termination, and cessation of the existence of a district of limited powers by the merger of that district with a city as a result of proceedings taken pursuant to this division.

56057. "Next equalized assessment roll" means the next assessment roll or book to be equalized and used by a city, county, or district for the purpose of the annual levy and collection of any

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

taxes or assessments imposed by the city, county, or district.

56058. "Notice" means any matter authorized or required by this division to be published, posted, or mailed.

56059. "Open space" means any parcel or area of land or water which is substantially unimproved and devoted to an open-space use, as defined in Section 65560.

56060. "Open-space use" means any use as defined in Section 65560.

56061. "Overlap" or "overlapping territory" means territory which is included within the boundaries of two or more districts or within one or more districts and a city or cities.

56062. "Parent district" means any district, a metropolitan water district, or any of the entities enumerated in subdivision (c) of Section 56036, which includes all or any part of another district, the first-mentioned district or entity being obligated, under the provisions of the principal act of the first-mentioned district or entity, to provide and furnish any governmental or proprietary service or commodity to the second-mentioned district.

56063. "Plan of reorganization" means a plan or program for effecting a reorganization and which contains a description of all changes of organization included in the reorganization and setting forth all terms, conditions, and matters necessary or incidental to the effectuation of that reorganization.

56064. "Prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that have not been developed for a use other than an agricultural use and that meets any of the following qualifications:

(a) Land that, if irrigated, qualifies for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not the land is actually irrigated, provided that irrigation is feasible.

(b) Land that qualifies for rating 80 through 100 Storie Index Rating.

(c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Handbook on Range and Related Grazing Lands, July, 1967, developed pursuant to Public Law 46, December 1935.

(d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre.

(e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years.

56065. "Principal act" means, in the case of a district, the law under which the district was formed and, in the case of a city, the general laws or a charter, as the case may be.

56066. "Principal county" means the county having all or the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within a district or districts for which a change of organization or reorganization is proposed.

56067. "Proceeding," "proceeding for a change of organization," or "proceeding for a reorganization" means proceedings taken by the commission for a proposed change of organization or reorganization pursuant to Part 4 (commencing with Section 57000).

56068. "Proponent" means the person or persons who file a notice of intention to circulate a petition with the executive officer.

56069. "Proposal" means a request or statement of intention made by petition or by resolution of application of a legislative body or of a school district proposing proceedings for the change of

LOCAL AGENCY FORMATION COMMISSION OF MODOC COUNTY
POLICIES AND STANDARDS

organization or reorganization described in the request or statement of intention.

56070. "Public agency" means the state or any state agency, board, or commission, any city, county, city and county, special district, or other political subdivision, or any agency, board, or commission of the city, county, city and county, special district, or other political subdivision.

56071. "Registered voter" means any elector registered under, and pursuant to, the Elections Code.

56072. "Registered-voter district" means a district whose principal act provides that registered voters residing within the district are entitled to vote for the election of district officers, incurring of bonded indebtedness, or any other district matter.

56073. "Reorganization" means two or more changes of organization initiated in a single proposal.

56074. "Service" means a class established within, and as a part of, a single function, as provided by regulations adopted by the commission pursuant to Chapter 5 (commencing with Section 56820) of Part 3.

56075. "Special assessment district" means an area fixed, established, and formed by a city, county, district, or the state, pursuant to general law, special act, or charter, that is specially benefited by, and assessed, or to be assessed, to pay the costs and expenses of, acquiring any lands or rights-of-way, acquiring or constructing any public improvements, maintaining or operating any public improvement, or lighting any public street, highway, or place.

56075.5. "Special reorganization" means a reorganization that includes the detachment of territory from a city or city and county and the incorporation of that entire detached territory as a city.

56076. "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission.

56077. "Subject agency" means each district or city for which a change of organization or reorganization is proposed or provided in a reorganization or plan of reorganization.

56078. "Subsidiary district" means a district of limited powers in which a city council is designated as, and empowered to act as, the ex officio board of directors of the district.

56079. "Sufficient petition" means a petition which, upon its filing and certification, requires the commission to hold a hearing and make determinations with respect to the proposal contained in the petition.

56080. "Urban service area" means developed, undeveloped, or agricultural land, either incorporated or unincorporated, within the sphere of influence of a city, which is served by urban facilities, utilities, and services or which are proposed to be served by urban facilities, utilities, and services during the first five years of an adopted capital improvement program of the city if the city adopts that type of program for those facilities, utilities, and services. The boundary around an urban area shall be called the "urban service area boundary" and shall be developed in cooperation with a city and adopted by a commission pursuant to policies adopted by the commission in accordance with Sections 56300, 56301, and 56425.

56081. "Voter" means a landowner-voter or a registered voter.